
MASTER AGREEMENT WITH: CALIFORNIA-AMERICAN WATER COMPANY

Reference to this Master Agreement should be “ per agreement dated April 4, 1966”.

This brief highlights only the major points of the Master Agreement. The Agreement should be studied carefully before taking any action under its terms.

The Agreement governs the apportionment of the cost of rearrangement of facilities owned by this Company in connection with freeway projects in lieu of the provisions of Section 700, et seq. of the Streets and Highways Code. In other words, the provisions of the Streets and Highways Code and other laws have no application to the rearrangement of the facilities on freeway projects for this Company, and are replaced by the terms of this Master Agreement. This agreement does not affect relocations on conventional highways.

Under this Agreement the apportionment of the cost of rearrangements is 80% to be paid by the State and 20% by the Company.

Section 8(D) (a) specifies credits to which the State may be entitled:

1. When new facilities are constructed and the

replacement cost is charged to the State, the State is to receive credit for the value of all salvaged materials, and for depreciation charged to all materials, whether salvaged or not, even where a replacement facility requires less material or fewer components than the dismantled facility.

2. Where no replacement facilities are constructed, however, the State is not entitled to these credits and does not need them to insure that the utility has not bettered its position.

Encroachment Permits will be issued for placements under this Agreement. The statement "For record purposes only," will not be used on these permits. "Freeway Permits" are not to be issued in connection with this Agreement.

Joint Use Agreements will not be entered into to cover any case that falls under this Agreement, as all installations that are to be made within the State highway right of way shall be under standard Encroachment Permit.

MASTER AGREEMENT

THIS AGREEMENT, made and entered into this 4th day of April, 1966 by and between STATE OF CALIFORNIA, acting through the Department of Public Works, hereinafter designated "Department", and CALIFORNIA-AMERICAN WATER COMPANY, a corporation, hereinafter designated "Utility",

WITNESSETH

WHEREAS Department and California Water & Telephone Company entered into a freeway relocation agreement on October 4, 1952; and

WHEREAS said agreement has continued in effect, as amended, continuously since that date; and

WHEREAS said agreement has proved mutually beneficial to department and to California Water & Telephone Company; and

WHEREAS Utility has agreed to purchase all of the

water properties of California Water & Telephone Company, and to assume the public utility water company obligations of the latter; and

WHEREAS Department and Utility are desirous of entering into an arrangement similar to that between Department and California Water & Telephone Company;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein, it is hereby mutually agreed as follows:

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Section 1. This contract is made and executed by the parties hereto pursuant and subject to the provisions of Section 707.5 of the Streets and Highways Code of the State of California as said section now exists. It is not intended to, and shall not, establish any precedent, principal, rule or guide to interpretation, as between parties hereto after its termination or as between either of the parties hereto and any third party at any time.

Section 2. This contract may be amended, changed or altered by mutual consent of the parties hereto in writing.

Section 3. This contract shall inure to the benefit of, and shall be binding upon, the successors and assigns of the parties hereto.

Section 4. Unless sooner automatically terminated as provided by law, this contract shall terminate not less than one (1) year after notice of termination in writing given by one party hereto to the other. In the event of termination, the laws applicable to the subject matter of this contract as existing at the time of such termination shall thereafter govern, save as to removals or relocations, hereinafter referred to as rearrangements, of utility facilities of Utility theretofore required of Utility by the Department under notice mailed or delivered to Utility prior to such termination, whether work upon such rearrangement has theretofore commenced, is in progress, or has been completed.

Section 5. This contract shall govern exclusively the determination of the obligations and costs to be borne by each party hereto in regard to every rearrangement hereunder of utility facilities of Utility to be undertaken or completed by Utility as required by notice given by Department to Utility on or subsequent to April 1, 1966, in lieu of the determination thereof under the provisions of Sections 700 to 707, inclusive, of said Streets and Highways Code as now or hereafter existing and all other laws which would be applicable to said subject matter but for this contract.

Section 6. This contract shall also apply and shall govern exclusively the determination of the obligations and costs to be borne by each party hereto with regard to rearrangements of utility facilities of Utility to be undertaken or completed by Utility as required by notice given by Department to

CALIFORNIA WATER & TELEPHONE COMPANY, a corporation, the former owner of Utility's public utility water business, prior to April 1, 1966, pursuant to an agreement between Department and California Water & Telephone Company, entered into October 4, 1952, to the extent such obligations and costs must be met subsequent to March 31, 1966.

Section 7. Other than as above set forth in Sections 5 and 6, this contract shall have no application to any removal, relocation or rearrangement of utility facilities of Utility.

Section 8. As used in this contract, the following terms have the following meanings:

(A) (i) "Freeway" means a highway under the jurisdiction of the Department in respect to which, and along the right of way of which, the owners of abutting lands have no right or easement of access to or from their abutting lands or only Limited or restricted right or easement of such access. It also includes such a highway though such highway does not exist, but is in contemplation, where the California Highway Commission has selected, adopted and determined the location of the same and declared the same to be a State Freeway, and the Department has delineated on its records the right of way thereof along which the owners of abutting lands have or are to have no or only limited or restricted right of access as aforesaid.

(ii) "Service Road" means a highway or contemplated highway while under the jurisdiction of Department, which was or is about to be established along or adjacent to a freeway, to provide ingress and egress to and from such freeway to the owners of abutting lands along such freeway, and Department or other proper public authority has delineated on its records the right of way thereof.

(iii) "Public Road" includes freeways, service roads, and all other highways and streets, whether under the jurisdiction of Department or of any county, city, district or other public authority within this State, with right of way as delineated on the records of the public authority having jurisdiction thereof.

(B) (i) "Utility facilities" includes all pipes, pipelines, aqueducts, conduits, canals, ditches, valves, connections, flumes, manholes, or other

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structure or appurtenance thereof, constituting a part of a water pipeline or other water distribution system, owned by Utility. The term "utility facilities" does not include any buildings of Utility nor any utility facilities therein nor any other property of Utility, whether or not devoted to public use, not included within "utility facilities" as above defined.

(ii) Where Utility is the owner of a part of, or of a present undivided part interest in, any such utility facilities, this agreement shall apply to the extent of such interest of Utility.

(iii) Where Utility is lessor or licensor of any such utility facilities or any part thereof or of space thereon or therein, this agreement shall also apply to those utility facilities owned by or under the control of the lessee or licensee unless Utility notifies Department of the interest of such lessee or licensee not later than thirty (30) days after receipt from Department of a notice of a rearrangement hereunder; and in such case the parties hereto shall thereupon endeavor to make satisfactory arrangements with such lessee or licensee; and failing such arrangements, Department shall proceed as to said interest of such lessee or licensee pursuant to law or any contract between Department and such lessee or licensee.

(iv) Where Utility is the lessee or licensee of any such utility facilities not owned by Utility, this agreement shall not apply and Utility shall have no claim against Department in respect to any rearrangement thereof unless Utility notifies Department of its said interest at its earliest opportunity after knowledge of any such rearrangement affecting said interest; and in such case, this agreement shall apply to the extent of such interest of Utility unless other satisfactory arrangements be made by the parties hereto in respect thereto.

(C) "Rearrangement of utility facilities" includes the following as required by a notice by Department to Utility:

(i) It must include expenditures in respect to existing utility facilities necessary to accommodate a freeway or a service road. The work involved therein must consist of the dismantling of, or other work upon, existing facilities within the right of way of a freeway or any other public road or on other real property where such work is occasioned by, and of benefit to, the construction, improvement, maintenance, operation or use of a freeway or a service road.

(ii) It also includes any other expenditures in respect to other utility facilities occasioned by the work specified in subdivision (i) hereof and where necessary to furnish Utility with utility facilities of corresponding standards and usefulness and to enable Utility to continue a corresponding service.

(iii) It may also include additional expenditures upon utility facilities, commonly known as "betterments", added at the instance of Utility for its purposes.

Further, the work involved within said term "rearrangement of utility Facilities" includes the dismantling of, or other work upon, existing utility Facilities, with or without reinstallations to continue the service, whether such reinstallations are of the dismantled or other utility facilities; and may be temporary or permanent in nature or both; and may be performed within or without the right of way of a freeway or other public road; and may be performed within, over or across real property owned in whole or in part by Department, Utility or a third party.

(D) "Cost of a rearrangement" includes the actual and reasonable (or, if indeterminable, the estimated) cost of:

(a) All necessary labor and transportation, and of all necessary materials exclusive of any dismantled utility facilities used in any of the reinstallations, involved in the rearrangement, together with reasonable and usual indirect and overhead charges attributable to any thereof, exclusive of the cost, computed in like manner, attributable to any betterments hereinabove mentioned involved in the rearrangement, and less:

(i) the value as salvage of all dismantled utility facilities not used in any of the reinstallations;

(ii) the accrued depreciation, as ascertained under the regular accounting practices of Utility for its depreciation reserve purposes, of all dismantled utility facilities not used in any if the reinstallations; and;

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(iii) any charges appertaining to the rearrangement paid or required to be paid by any customer of utility (including Department where a customer of Utility) pursuant to law or agreement between such customer and Utility (or an agreement between Department and such customer for the express benefit of Utility) and

(b) any necessary new private right of way of Utility for any of the reinstallations involved in the rearrangement, exclusive of such right of way for such of said reinstallations as may reasonably be located within the right of way of a public road, or on other real property under the jurisdiction of Department, and without charge to Utility or credit to Department.

Section 9. Whenever Utility claims reimbursement for the cost, in whole or in part, of any rearrangement hereunder, Utility shall upon the completion of such a rearrangement, submit to Department an itemized statement of such cost; and, Utility shall upon request, make available for inspection or audit its books and records appertaining thereto; provided, that the parties hereto may estimate and agree in advance upon the amount of such reimbursement where not exceeding one thousand dollars (\$1,000) and where specified in the notice given by Department to Utility or an amendment thereof.

Section 10. (a) It is contemplated that Utility will submit to Department plans and specifications of a rearrangement; and that the parties will endeavor to agree in respect thereto prior to the giving of notice by Department to Utility of a rearrangement required by Department.

This subdivision (a) is directory only and compliance therewith or agreement upon plans and specifications as aforesaid shall not be a condition precedent to the giving of notice by Department to Utility of a rearrangement required by Department.

(b) The parties hereto may implement this contract in the foregoing or other particulars by procedures to be agreed upon between them.

Section 11. Department will give Utility notice in writing (in form, identical with or similar to present right of way forms 40 or 41 of Department) of each rearrangement under the foregoing subdivisions hereof had such change or happening not occurred; and the remainder of the cost of the rearrangement shall be borne by the parties hereto pursuant to the

rearrangement of utility facilities of Utility pursuant to agreed plans or, if none, as may reasonably be required by Department. Utility will thereupon undertake, or cause to be undertaken, the rearrangement of its utility facilities pursuant thereto with reasonable dispatch. Further, Utility shall permit Department immediate entry upon, and use of, all right of way of Utility for utility facility purposes whenever necessary for a freeway purpose which occasioned such notice and where not inconsistent in time or manner of exercise with the due discharge by Utility of its said undertaking with respect to said rearrangement and with its discharge of its duty as a public utility.

Section 12. (A) The cost of each rearrangement under the notice given by Department to Utility shall be borne 80% by Department and 20% by Utility except as hereinafter provided.

(B) If Department, by amended, revised or new notice given to utility, changes a rearrangement under a prior notice given by Department to Utility before the completion of such rearrangement or of the work on that portion of the freeway or service road which occasioned such prior notice, Department will pay in entirety that portion of the cost of the rearrangement expended by Utility before such change to the extent such expenditures are rendered useless or wasted by reason of such change; and the remainder of the cost of the rearrangement shall be borne by the parties hereto pursuant to the foregoing subdivision of this section.

(C) If Department after notice of a rearrangement given to Utility changes the right of way of the freeway or the service road which occasioned such notice, or if the highway or contemplated highway in respect to which a notice of rearrangement hereunder was given ceases to be a freeway or service road (with or without amended, revised or new notice given to Utility), before the completion of such rearrangement or of the work on that portion of the public road which occasioned such notice, Department will pay in entirety that portion of the cost of the rearrangement expended by Utility before such change or happening to the extent Utility would have received a greater reimbursement in respect to said portion of the cost of the

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foregoing subdivisions of this section.

Section 13. Upon completion of each rearrangement of utility facilities hereunder, and the discharge by Department of its obligations to utility hereunder in respect thereto, Utility shall convey to Department or its nominee upon demand all of its right, title and interest within the right of way of a freeway or any other public road, or in any other real property under jurisdiction of Department, on which was situate any utility facilities entirely dismantled under a rearrangement of utility facilities hereunder.

Section 14. Whenever a rearrangement includes the dismantling of existing utility facilities located on private right of way of Utility and any reinstallations corresponding thereto are located within the right of way of a public road, there shall automatically vest in Utility upon the termination of this agreement like rights in real property, if any, in and to such corresponding new location of such reinstallations as Utility may have had, if any, in its corresponding old location on which was situate such utility facilities entirely dismantled under a rearrangement of utility facilities hereunder.

Section 15. Notwithstanding this contract, the State of California hereby reserve all its sovereign powers and any exercise thereof shall be superior and alternative to this contract.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

**STATE OF CALIFORNIA
DEPARTMENT OF PUBLIC WORKS**

**CALIFORNIA AMERICAN WATER
COMPANY**
